

**FISCAL YEAR (FY) 2002 ALLOCATION AND ANNUAL BUDGET PLAN
PREPARATION FOR THE MEDICAL AND PROSTHETIC RESEARCH
APPROPRIATION**

1. PURPOSE: This Veterans Health Administration (VHA) Directive sets forth policy and procedures for the Fiscal Year (FY) 2002 Medical and Prosthetic Research appropriation.

2. BACKGROUND

a. The Office of Research and Development will provide VA Central Office (VACO) assigned facility monetary allocations for all VA-funded research programs. Field biomedical applications for funding are submitted to VACO for scientific peer review. Funding is based on scientific excellence and relevance to veterans' health needs independent of geography or other concerns.

b. The facility Director will accomplish the research mission within the allocated funding. The funding allocations are the amounts assigned for planning purposes. However, these allocations are subject to change pending Congressional, Office of Management and Budget, administrative, or research merit review actions.

3. POLICY: The FY 2002 allocation will be the facility's initial operating level. Facilities will closely adhere to the actions required. For the FY 2002 budget, quarterly distribution of facility level research budgets will be handled at the national level by the Office of Research and Development (12).

4. ACTION

a. **Allocation.** The FY 2002 allocation will be prepared by the Office of Research and Development in VACO. This information will be transferred to the Research and Development Computer Center (RDCC) located in Baltimore, Maryland. As in past years, RDCC will provide the Research and Development field station offices with a copy of the Initial Target Allowance (ITA). The Administrative Officer at each station will be responsible for providing a copy of the ITA to the Fiscal Officer (04) and the facility Director (00). When RDCC electronically transmits the allocation to the VHA Office of Finance, the funding levels will be entered into the Automated Allotment and Control System (AACS). Subsequent transactions in the AACS will, in effect, revise the facility's funding levels. The allocation is calculated with a 25 percent per quarter distribution. Every effort will be made to accommodate facilities' needs to adjust their quarterly distribution after the budget has been approved and released. We suggest that facilities maximize the use of prior year dollars to alleviate distribution shortfalls.

THIS VHA DIRECTIVE EXPIRES SEPTEMBER 30, 2002

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b. Instructions. Attachment A provides Medical and Prosthetic Research Notes and explanations.

5. REFERENCES: VHA Supplement, MP-4, Part VII.

6. FOLLOW-UP RESPONSIBILITY: The VHA Office of Finance and the Office of Research and Development are responsible for the content of this Directive.

7. RESCISSION: VHA Directive 2000-031 dated September 26, 2000 is rescinded. This Directive expires September 30, 2002.

Thomas L. Garthwaite, M.D.
Under Secretary for Health

Attachment

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ATTACHMENT A

1. **Medical and Prosthetic Research Notes**

a. All Research and Development Programs

(1) All unobligated prior year balances (.001 and .007) remaining as of September 30, 2001, will be available for expenditure from Medical Research (821), Rehabilitation Research and Development (822), Health Services Research (824) or Cooperative Studies Research (825). Carryover is limited to 2 percent of the FY 2001 allocation unless prior approval is obtained for a larger amount. Prior year funds remaining on facility as of February 1, 2002 may be withdrawn. Facilities are encouraged to expend all prior year availability before using current year funding.

(2) As in previous years, the Research and Development Office will provide administrative support for Medical Research, Rehabilitation Research and Development, and Health Services Research and Cooperative Studies Research in program 821 funding.

b. Employee Travel. This allowance is provided to cover FY 2002 facility-directed employee travel requirements for the purposes cited in sub-paragraph (1).

(1) **Facility-Directed Employee Travel.** Travel funds are allocated specifically for facility-directed employee travel related to locally approved institutional research support activities, review of programs, and for the travel of career development appointees. The Director may authorize employee travel within the amount provided to permit facility employees to attend scientific meetings, present scientific papers or participate in discussions on scientific subjects of importance to research, to obtain or exchange scientific information of significance to research, or to receive training provided by manufacturers in the use of specialized equipment procured by research.

(2) **Centrally-Directed Employee Travel.** Employee travel required as an integral part of research activities will continue to require VACO approval. Employee travel details requiring such approval include participation in VA study meetings, VACO-directed research conferences, annual professional meetings, committee meetings, and permanent transfers of research employees or for such travel as indicated in (1) above for which funds were not provided in the initial allocation. These travel requests may be approved for centrally-directed funding.

c. Employment. FY 2002 full-time equivalent (FTE) will not be assigned upon an individual station basis. Total program FTE will be monitored centrally by the Office of Research and Development.

d. Medical Research (821) Program, Rehabilitation Research (822) Program, Environmental Health (823) Program, Health Services Research and Development (824)

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Program, and Cooperative Studies Research (825) Program. Allowances reflect initial fiscal year monetary allocations for all program requirements.

2. Items not included in the allocation. The allocation reflects the initial monetary allocations for all research program requirements except for General Post Fund reimbursements or other reimbursable funds, defined as other research support in VHA Supplement, MP-4, Part VII.

a. **General Post Fund Reimbursements.** Salary costs cannot be charged directly to the General Post Fund. Therefore, salary costs associated with research projects must be offset against General Post Fund donations by processing an appropriation reimbursement to the research appropriation and notifying the VACO Research and Development Office (12B1) that the reimbursement has been accomplished before requesting that these funds be made available to the facility.

b. **Direct Grants and Interagency Reimbursements.** Funding for direct grant reimbursements and interagency reimbursements will be allocated by quarter upon request. Funding provided for reimbursable programs may not be used for other purposes. Budget year for funding of interagency agreements will be determined by the source funding appropriation. Period of availability of funds may not exceed the period of availability from the source agency. Interagency agreements may not be used to extend the obligation life of an appropriation beyond the time provided by Congress in the original source appropriation.

3. FY 2002 Medical and Prosthetic Research Annual Budget Plan. Budget questions should be referred to Sara Clark, (202) 408-3605 (program 821), Selena Watson, (202) 408-3672 (program 822), Janet Julian, (202) 273-8250 (program 823), Teresa Mathis (202) 273-8860 (program 824), Steve Berkowitz, (202) 273-8861 (program 825).